

Schedule 2 TOTAL STATE SPENDING PLAN

This Schedule is included for informational purposes to show in one place the expenditures of all funds which are accounted for by the State.

A basic premise in a consolidation such as this is that the State is the financial unit and individual funds are subsidiary units to the State. This is similar to financial units in the private sector in which diversified commercial corporations with several subsidiaries report their operation on a consolidated basis—but is a contrast to traditional governmental accounting, which has held that the individual funds are the financial units and should not be consolidated with other funds or types of funds. A total consolidation presents both theoretical and practical problems because of the individual nature of each fund. In essence, each fund is a separate fiscal and legal entity that operates under the specific legal provisions that created it. Examples of problems which may arise from an unqualified consolidation are: (1) funds are accounted for in a different manner, (2) duplication of expenditures results, (3) expenditures from non-State funds are included, and (4) expenditures are included for quasi-State operations such as Workers' Compensation and for payment of retirement benefits for other governmental units.

In order to minimize misinterpretations, this Schedule is displayed in three parts. Part A summarizes the total State spending plan, including nongovernmental cost funds. Part B summarizes only expenditures from the funds which are collectively identified as nongovernmental cost funds. Reimbursements received from the public or other levels of government are deducted from State expenditures. Part C summarizes these reimbursement expenditures.

TOTAL STATE SPENDING PLAN—PART A GOVERNMENTAL COST, SELECTED BOND FUNDS, AND FEDERAL FUNDS

As stated above, Part A summarizes expenditures from funds which are traditionally included as part of State expenditure summaries in the Governor's Budget and other State financial reports, as well as nongovernmental cost funds. The major portion of the expenditures shown in Part A is for the General Fund and the various special funds, which are commonly referred to as "governmental cost funds". This term is used because these funds are used to account for moneys which are derived from general and special taxes, licenses, fees, or other revenue sources to provide financing for State activities which are for the general purposes of State government.

The selected bond funds are included in Part A because of the historical legislative interest in showing these expenditures in budget totals. It should be noted that there is a duplication in showing these expenditure amounts from bond proceeds because the expenditures are included both when bond proceeds are spent and when debt service is paid.

The federal funds have also been included in Part A because of interest in the level of the State's expenditure of federal funds. The detail of expenditures by department for the General Fund, special funds, selected bond funds and federal funds is shown in Schedule 9.

TOTAL STATE SPENDING PLAN—PART A (in Thousands)

Fund Type	2002-03 State Spending	2003-04 State Spending	2004-05 State Spending
GOVERNMENTAL COST FUNDS			
GENERAL FUND	77,482,135	78,028,100	76,061,869
SPECIAL FUNDS.....	18,282,052	19,406,356	21,143,762
SELECTED BOND FUNDS	11,014,509	10,444,161	1,937,905
TOTAL FUND CLASSIFICATION GOVERNMENTAL COST FUNDS	\$106,778,696	\$107,878,617	\$99,143,536
NONGOVERNMENTAL COST FUNDS			
PUBLIC SERVICE ENTERPRISE FUNDS.....	16,668,454	18,921,473	17,698,792
WORKING CAPITAL AND REVOLVING FUNDS.....	2,584,712	2,443,471	2,195,786
BOND FUNDS—OTHER.....	8,268	141,850	500,935
RETIREMENT FUNDS.....	12,222,664	13,894,397	14,631,261
OTHER NONGOVERNMENTAL COST FUNDS	28,272,881	28,754,100	36,309,793
TOTAL FUND CLASSIFICATION NONGOVERNMENTAL COST FUNDS	\$59,756,979	\$64,155,291	\$71,336,567
FEDERAL FUNDS			
FEDERAL FUNDS	54,732,625	57,971,771	55,000,430
TOTAL FUND CLASSIFICATION FEDERAL FUNDS.....	\$54,732,625	\$57,971,771	\$55,000,430
TOTAL.....	\$221,268,300	\$230,005,679	\$225,480,533

TOTAL STATE SPENDING PLAN—PART B NONGOVERNMENTAL COST FUNDS

Nongovernmental cost funds are used to account for moneys which are derived from sources other than general or special taxes, licenses, fees, or other State revenues. Although federal funds and bond funds are classified as nongovernmental costs funds, they are included in Part A for reasons cited therein. The nongovernmental cost funds shown in Part B are segregated into the following classifications.

PUBLIC SERVICE ENTERPRISE FUNDS

Public Service Enterprise Funds are used to account for the transactions of self-supporting enterprises which render services for a charge primarily to the general public.

Activities which are accounted through Public Service Enterprise Funds include toll bridges, harbor facilities, disability insurance, college housing, and veterans farm and home loan financing. Bond funds and sinking funds related to a public service enterprise are included in this classification.

Public Service Enterprise Funds differ from Working Capital and Revolving Funds in that, in the latter, fees for services rendered are largely from other State agencies or local governments.

It should be noted that expenditures shown below from the Compensation Insurance Fund do not include benefit payments to State employees because the State is self-funded. The expenditures shown are benefits paid from funding provided through insurance premiums and therefore are not true State costs.

WORKING CAPITAL AND REVOLVING FUNDS

Working Capital and Revolving Funds are used to account for the internal service activities rendered by a State agency to other State agencies or to local governments. Activities which are accounted through Working Capital and Revolving Funds include centralized purchasing for stores, consolidated data center services, printing, architectural services, manufacturing, surplus money investment, payroll disbursement, automotive management, and building operations.

Working Capital and Revolving Funds differ from the Public Service Enterprise Funds, which render services primarily to the general public. To the extent that services are provided to other State agencies, expenditures shown in Working Capital and Revolving Funds are duplicative of expenditures shown in the agencies.

BOND FUNDS

Bond Funds are used to account for the receipt and disbursement of bond proceeds. They do not account for bond retirement since the liability created by the sale of bonds is not a liability of these funds. Bonds are retired and the interest obligations thereon are paid through the provisions specified in the bond act.

Bond Funds related to a public service enterprise are included in the Public Service Enterprise Fund classification.

RETIREMENT FUNDS

Retirement Funds are used to account for employer and member contributions received by various retirement systems, the investment of these moneys, annuity payments, refunds to members, and other receipts and disbursements. The amounts shown below reflect both administrative costs and benefits paid to annuitants. For the Public Employees' Retirement Fund and the Teachers' Retirement Fund, funding includes non-State sources and expenditures therefrom are not true State costs. Also, costs funded from amounts transferred into these funds from other State agencies are duplicative of expenditures shown in the agencies.

OTHER NONGOVERNMENTAL COST FUNDS

For selected programs, the State budget has traditionally included funding provided by county funds and university funds for informational purposes. Because of inclusion in the budget, these expenditures are shown in Schedule 2. The balance of funds shown in this classification are for Trust and Agency Funds which are used to account for moneys and properties that are received from other than federal sources and which are held and disbursed from the State Treasury by the State as trustee or custodian.

The following provides detail for the significant funds and amounts which comprise the various categories of Nongovernmental Cost Funds:

TOTAL STATE SPENDING PLAN—PART B (in Thousands)			
Funds	2002-03 Amount	2003-04 Amount	2004-05 Amount
PUBLIC SERVICE ENTERPRISE FUNDS			
Housing Finance Fund, California.....	21,051	27,187	27,187
Water Resources Development Bond Fund.....	437,689	364,151	367,630
Central Valley Water Project Const Fund.....	85,696	126,280	126,723
Central Valley Water Project Revenue Fd.....	216,579	269,072	269,209
Compensation Insurance Fund.....	6,817,652	6,625,869	6,488,485
Employment Training Fund.....	157,530	82,432	77,786
Harbors and Watercraft Revolving Fund.....	69,671	80,759	61,108
Health Facility Const Loan Insurance Fd.....	13,562	4,688	4,311
Uninsured Employers Benefits Trust Fund.....	6,927	25,380	25,380
Univ Continuing Education Revenue Fd, St.....	129,895	121,310	122,684
Univ Dormitory Revenue Fd, Calif State.....	132,653	149,355	163,468
University Parking Revenue Fund, State.....	42,378	51,206	51,206
Unemployment Compensation Disability Fd.....	3,063,569	3,871,678	4,291,086
Veterans Farm & Home Building Fund 1943.....	210,521	189,825	182,508

Funds—Continued	2002-03 Amount	2003-04 Amount	2004-05 Amount
Child Care Facilities Revolving Fund	14,196	15,350	-
Safe Drinking Water State Revolving Fd.....	17,937	-	-
Infrastructure & Economic Devl Bank, Cal	31,592	4,892	5,239
Dept Water Resources Electric Power Fund.....	5,176,058	6,814,301	5,414,760
CA Consumer Pwr & Conservation Fin Auth.....	6,994	78,835	424
OTHERS.....	16,304	18,903	19,598
TOTAL PUBLIC SERVICE ENTERPRISE FUNDS	\$16,668,454	\$18,921,473	\$17,698,792
WORKING CAPITAL AND REVOLVING FUNDS			
Architecture Revolving Fund	34,731	37,784	35,772
Charter School Revolving Loan Fund.....	4,226	13,785	-
Equipment Service Fund	161,434	153,528	152,806
HHS Agency Data Ctr Revolving Fund, CA.....	316,389	313,674	311,412
Public Buildings Construction Fund.....	1,396,954	1,234,549	975,480
Service Revolving Fund	570,405	574,909	601,137
Water Quality Control Fund, State.....	17,649	20,373	20,731
Stephen P Teale Data Center Revolv Fd.....	89,503	98,191	95,698
OTHERS.....	-6,579	-3,322	2,750
TOTAL WORKING CAPITAL AND REVOLVING FUNDS	\$2,584,712	\$2,443,471	\$2,195,786
BOND FUNDS—OTHER			
Transportation Financing Subaccount, SHA.....	-	133,027	492,568
OTHERS.....	8,268	8,823	8,367
TOTAL BOND FUNDS—OTHER	\$8,268	\$141,850	\$500,935
RETIREMENT FUNDS			
Judges' Retirement Fund	115,213	121,218	128,495
Public Employees' Retirement Fund.....	6,890,924	7,984,413	8,148,329
Teachers' Retirement Fund	5,186,293	5,754,057	6,315,667
Teachers' Health Benefits Fund.....	22,387	25,904	29,176
OTHERS.....	7,847	8,805	9,594
TOTAL RETIREMENT FUNDS.....	\$12,222,664	\$13,894,397	\$14,631,261
OTHER NONGOVERNMENTAL COST FUNDS			
Indian Gaming Revenue Share Trust Fund	29,942	96,569	46,000
Emerg Serv & Supplemental Payments Fund.....	673,422	859,448	805,754
Student Loan Operating Fund	84,340	107,029	106,501
Self-Help Housing Fund	-263,887	96,646	78,830
Lottery Education Fund, Calif State.....	973,917	961,733	961,733
Flexelect Benefit Fund	17,386	18,852	18,781
Public Employees' Health Care Fund	846,066	1,048,683	1,301,270
Medi-Cal Inpatient Pymt Adjustment Fund	586,083	1,239,089	1,000,765
University Lottery Education Fund, Cal S.....	31,905	64,344	38,807
School Employees Fund	85,428	155,105	120,757
Inmate Welfare Fund	46,816	53,620	51,474
Joe Serna, Jr. Farmworker Housing Grant	-174,138	106,889	34,161
Housing Rehabilitation Loan Fund	-938,888	254,131	194,885
Special Deposit Fund.....	21,047	20,288	18,823
Public Employees Contingency Res Fd.....	16,572	16,902	17,822
Emergency Housing and Assistance Fund	-178,698	31,863	31,815
Local Property Tax Revenues.....	14,767,155	15,781,986	16,958,373
Various Other Unallocated NGC Funds	-199	-23,498	168,156
Higher Education Fees and Income—UC/CC	1,414,885	1,892,834	2,167,617
University Funds—Unclassified.....	5,354,916	5,691,776	5,882,232
Other Unclassified Funds	2,750,638	1,035,604	1,005,747
WIC Manufacturer Rebate Fund	205,704	262,401	263,001
County Health Initiative Matching Fund.....	-	53,846	53,846
Ratepayer Relief Fund	-	14,581	14,499
Child Support Collections Recovery Fund.....	297,828	298,955	298,063
Deficit Recovery Fund	-	-3,012,000	3,012,000
Extramural Nonfederal Unclassified Funds.....	1,555,854	1,555,566	1,591,659
Extramural Funds	8,711	12,767	6,106
OTHERS.....	60,076	58,091	60,316
TOTAL OTHER NONGOVERNMENTAL COST FUNDS	\$28,272,881	\$28,754,100	\$36,309,793
TOTAL.....	\$59,756,979	\$64,155,291	\$71,336,567

**TOTAL STATE SPENDING PLAN—PART C
REIMBURSEMENTS
(in Thousands)**

Funds	2001-02 Amount	2002-03 Amount	2003-04 Amount
REIMBURSEMENTS	6,106,235	7,781,840	7,421,354